

for the opening of our head office and the Toronto branch. The directors had to determine a policy regarding the extent of the operations of the bank, and the initiation and establishment of an entire staff.

It will not be difficult for you to appreciate the time and labor that this entailed, but you cannot know how cheerfully this time and attention has been given, and that without remuneration, the directors having determined that no fees should be paid to directors in advance of the payment of a dividend to the shareholders.

The question of the extent of the bank's operations through agencies was given early consideration, and a policy determined, under which the agencies named in the directors' report have been established.

You will readily appreciate that your directors understood that, under the most favorable circumstances, between the time of the location of an agency and the profitable operation of that agency, a considerable time must elapse, but it was thought better, in the ultimate result, to take a strong initiative, and it gives me great pleasure to announce that the course pursued has been justified by the results, as nearly all the agencies are already on a paying basis, the exceptions being those established within the last few months, and of these we have every reason to be satisfied that they will not be exceptional in this regard.

It also gives me pleasure to report to you that the bank as a whole has reached a paying basis, from which it may be indicated that at an early date the shareholders may expect a dividend.

Great care has been exercised in the selection of our staff, which is made up of men of good character, and ability, who have shown by their industry and attention a keen interest in the success of the institution.

Our stockholders, numbering over 600, are well spread, many of them being at or near some branch, so that we are able to depend upon their co-operation for the advancement of the interests of the bank.

In connection with this subject, I may mention that we have had several offers for the balance of the stock "en bloc," which have been declined, for the reason that the directors preferred that the stock should be held by small investors and not be in the hands of large holders, it being considered inexpedient that so large a power should be exercised by any one individual or syndicate in the dictation of the policy of the bank.

The directors have from the first favored the idea of keeping the assets of the bank as largely as possible in liquid form, and have, therefore, determined not to be owners of real estate to an extent beyond what may be absolutely necessary.

The head office has been inspected by the directors as well as by the Inspector, and besides the regular inspection of the branches by the inspector, most of the agencies have been visited by the general manager, or by a director.

One of the officers, a man hitherto of good reputation and experience as a banker, took from the bank the sum of \$40,350.33, \$20,000 of which was in unsigned notes, payment of which was stopped by telegraphic advice to every Canadian bank.

Of the above-mentioned sum \$18,990, besides the unsigned notes, has been secured by the detectives and one of the officers of the bank, who followed the defaulter's devious route to the Island of Jamaica. The small balance will be fully covered by the guarantee bond.

The balance sheet fully illustrates the condition of the bank, and besides congratulating you on the progress made, I think I may say that the indications of a successful and profitable business are quite promising.

On motion of Mr. Emil C. Boeckh, seconded by Mr. J. W. P. Foster, a vote of thanks was passed to the directors of the bank for their constant and efficient services. A vote of thanks was also passed to the staff of the bank.

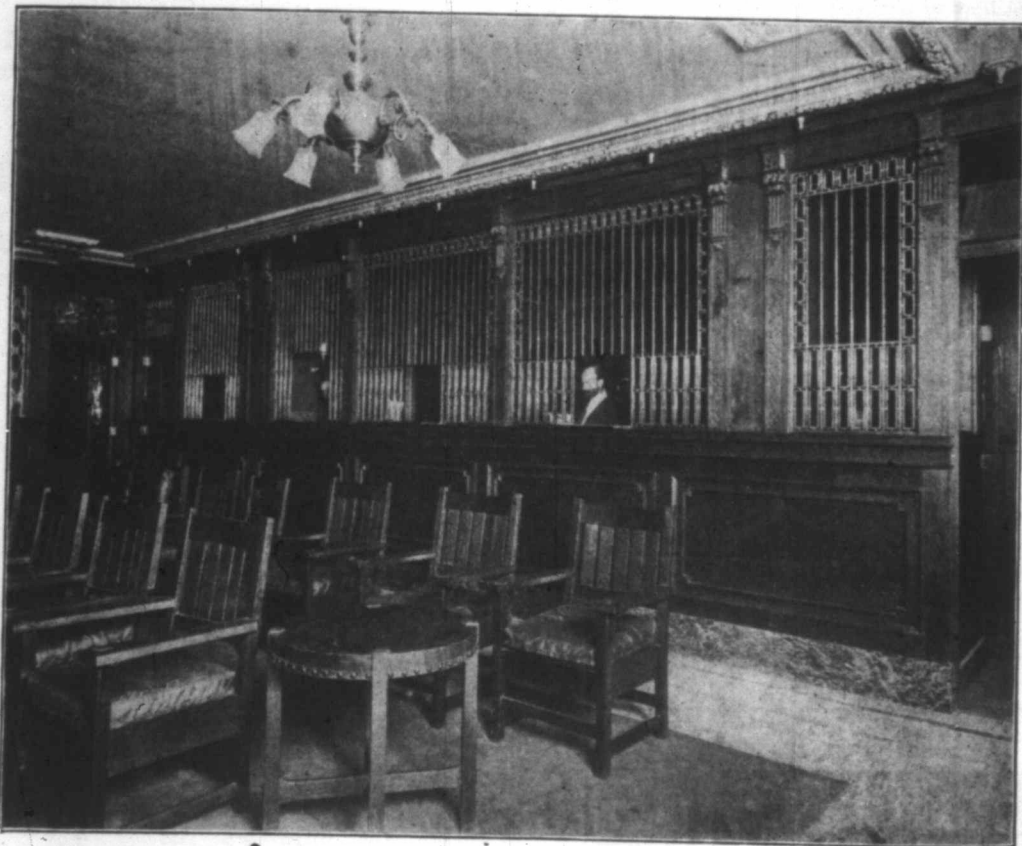
The election of directors for the ensuing year resulted as follows: Edward Gurney, Toronto; Charles Magee, Ottawa; John M. Gill, Brockville; Charles Adams, Toronto; John White, Woodstock; R. Y. Ellis, Toronto; J. L. Coffee, Toronto; Lieut.-Col. J. H. Burland, Montreal; Edward Tilden, Chicago.

At a subsequent meeting of the directors of the bank, Mr. Edward Gurney was elected president, and Mr. Charles Magee, vice-president of the bank.

G. DE C. O'GRADY,
General Manager.

—Mr. J. Owen James, an English mining engineer, who has been on an extended tour in Nova Scotia investigating mining conditions in that province, is impressed with their possibilities to such an extent that he has induced English capitalists to become interested. He believes that, at depth, several of the mines will be found to contain high values. It may be mentioned that a year or two years ago the provincial legislature passed an act providing payment for half the cost of sinking a shaft to a depth of 2,000 feet. It is believed that Mr. James' project will be the means of drawing a large amount of interest to the mining possibilities of our lower provinces.

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